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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

PRESIDING OFFICER'S
RULING NO. R2000-1/92

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes

Docket No. R2000-1

PRESIDING OFFICER'S RULING GRANTING MOTION BY MPA ET AL.
TO DIRECT POSTAL SERVICE TO PROVIDE A SPONSORING WITNESS
FOR LIBRARY REFERENCES LR-I-310, LR-386 AND LR-I-398

(Issued July 18, 2000)

MPA *et al.* has filed a motion asking that certain materials filed by the Postal Service in response to discovery directed to witness Baron be incorporated into the evidentiary record. Motion of MPA et al. to Incorporate into Evidence USPS Responses to UPS/USPS-T12-12-17 and USPS Library References LR-I-310, LR-I-386 and LR-I-398, or, in the Alternative, to Direct the Postal Service to Provide a Sponsoring Witness for Said Library References, filed June 8, 2000 (Motion).¹

The material whose evidentiary status the Motion wants to clarify was first elicited by ADVO/USPS-T12-11. That interrogatory asked witness Baron whether he "was aware of a preliminary load-time variability analysis that is based on the time study data in the Delivery Redesign data base" and, if so, to provide it. On May 12, 2000, in

¹ The members of MPA et al. are Magazine Publishers of America (MPA), ADVO, Inc., Alliance of Nonprofit Mailers, American Business Media, Association for Postal Commerce, Association of American Publishers, Coalition of Religious Press Associations, Direct Marketing Association, Inc., Dow Jones & Company, Inc., Mail Order Association of America, the McGraw-Hill Companies, Inc., National Newspaper Association, Parcel Shippers Association, and Time Warner Inc.

response to that interrogatory, the Postal Service filed library reference USPS-LR-I-310, labeled "Draft Report on Load Time Analysis." It uses the volume and deliveries data collected by the Engineered Standards/Delivery Redesign (ES) study to model the volume variability of load time.

Subsequently, United Parcel Service filed its interrogatories UPS/USPS-T12-12-17. Interrogatory 12 of this series asked witness Baron to provide the data and programs that were used to perform the load time analysis contained in LR-I-310. Interrogatories 13 through 17 asked witness Baron to describe other aspects of that analysis. On June 2, 2000, the Postal Service filed witness Baron's responses to this series of interrogatories. They were accompanied by library reference LR-I-386, which contains the data and programs used to produce the LR-I-310 analysis.

In his response to interrogatory 13 of this series, witness Baron stated

The latest revised regression that is estimated through use of ES volume and deliveries data, and that produces the results summarized in Tables 3B and 4B presented in my interrogatory UPS/USPS-T12-16 response, produces volume variabilities that are more reliable than those produced by the SDR, MDR, and BAM regressions currently used by the Commission and the Postal Service, or by any other regressions submitted into evidence to date. Therefore, I believe that these new ES-based variabilities should replace the current Base Year SDR, MDR, and BAM variabilities.

On June 6, 2000, the Postal Service filed an additional library reference, LR-I-398, labeled "Derivation of New Segment 7 Volume Variable Costs, Produced in Response to UPS/USPS-T12-13 (Baron)." LR-I-398 calculates new attributable city delivery carrier costs by subclass, based on the LR-I-310 analysis of load time variability.

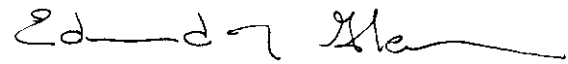
On June 8, 2000, MPA *et al.* filed its Motion. The Motion observes that MPA *et al.* is sponsoring the testimony of witness Crowder (MPA-T-5). She advocates using ES data to determine load time variability, should the Commission decide to use ES data to determine the proportions of accrued carrier street time that belong to the

various STS street time functions. The Motion notes that her testimony relies on library references, LR-I-310, 386, and 398. It asks that the evidentiary status of those library references be clarified before she takes the stand on July 20, 2000. The Motion contends that these library references, together with witness Baron's interrogatory responses indicating his support for their contents, amount to unofficial sponsorship of his alternative, ES-based load time variability results. It asks that witness Baron's interrogatory responses and related library references be incorporated into the evidentiary record, or, in the alternative, that the Postal Service be directed to provide a sponsoring witness for them so that this material can be subjected to cross-examination, and subsequently incorporated into the record. Motion at 3. No answer to the Motion was filed.

The Motion correctly observes that the interrogatory answers of witness Baron stating his preference for the load time variability results in the above-described library references amount to informal sponsorship of their contents. Because neither the Postal Service, nor any participant has expressed its opposition, the Postal Service will be directed to provide a sponsor of the materials identified in the Motion. At the hearing on July 20, 2000, prior to witness Crowder's appearance on the stand, interrogatories UPS/USPS-T12-12-17 will be designated for inclusion in the evidentiary record. At that time, the Postal Service will be directed to provide for the record an affidavit of a sponsoring witness for Library Reference 310, 386, and 398. The affidavit and the library references will be incorporated into the record, but the library references will not be transcribed. However, if, prior to the appearance of witness Crowder, any participant indicates a desire to cross-examine the Postal Service's sponsoring witness, a date for cross-examining its witness will be scheduled, and the above-described interrogatory responses and library references will be incorporated into the record at that time.

RULING

The Motion of MPA *et al.* to Incorporate into Evidence USPS Responses to UPS/USPS-T-12-17 and USPS Library References LR-I-310, LR-I-386 and LR-I-398, or, in the Alternative, to Direct the Postal Service to Provide a Sponsoring Witness for Said Library References, filed June 8, 2000, is granted, as described in the body of this Ruling.

A handwritten signature in black ink, appearing to read "Edward J. Gleiman", with a long horizontal flourish extending to the right.

Edward J. Gleiman
Chairman